

In This Building Block:

- When you should review your investment mix
- How to read your account statement
- Where to find more specific investment option information
- How to make investment or salary deferral changes

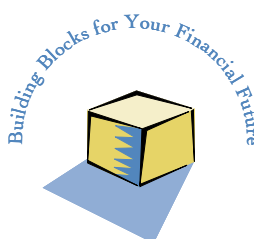
MANAGING YOUR ACCOUNT

When you enroll in the Deferred Compensation Plan, you decide how much of your pay to contribute to your account and where to invest it. The next step is to monitor both your personal situation and the performance of your investments on a regular basis.



Based on your monitoring, you may want to know when to review your strategy. For most people, the answer is simple: not often.

Staying put makes sense because saving for retirement is a long-term goal. Since the goal doesn't change, the strategy isn't likely to either. However, there are certain situations where it may make sense to revisit your investment strategy to see if you are still on track to meet your goals. You may want to think about increasing your salary deferral amount as well if you're not where you want to be savings-wise.



When you should consider making investment changes based on your personal situation

Read the list below and check the box(es) that may apply to your situation. A review of your investment strategy may be in order if you:

- ☐ Experience a change in family status (marriage, divorce, death of a spouse, new baby, children leaving home)
- ☐ Change job status (new job, loss of job)
- ☐ Increase your income (promotion, inheritance)
- ☐ Change your retirement date (retire earlier or later than planned).

When you should consider making investment changes

- ☐ If investment options are added or removed from the Plan
- ☐ If other Plan provisions change
- ☐ If you think you might be able to better meet your savings goals with different investment options or a different allocation of your money among Plan investment options

If you are considering an investment change

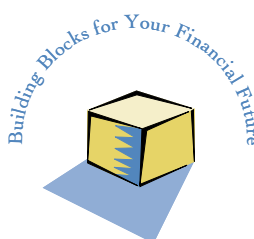
- Review Building Block #4 on investment decisions, which covers your investment options
- Research other investment options by reading the prospectus
- Once you've decided, call T. Rowe Price at 888/457-5770 or 800/521-0325 (TDD/TYY) anytime day or night. To speak with a T. Rowe Price representative, please call business days between 7:30 a.m. and 9 p.m. central time.
- Or use your computer. With T. Rowe Price **myRetirementPlan** at rps.troweprice.com, you can use your computer to check account information and make transactions. All you need is your Social Security number and your personal identification number (PIN). To get started, just call 800/541-3022 to activate your PIN, or follow the prompts through **myRetirementPlan**.

Monitoring your investments

As your Plan's recordkeeper, T. Rowe Price provides information to help you keep up to date on your account:

- Toll-free Plan number available daily
- Performance reports issued regularly
- Account statements, issued quarterly

Monitoring your investments doesn't require a lot of time. One of the most efficient ways to stay up to date is through your quarterly account statement.



As you review your quarterly account statement, you may find it helpful to refer to this guide.

A guide to understanding your statement

The major sections of the statement are highlighted on the sample to the right and explained on this page. If you have further questions about your statement or need to make a correction, please call T. Rowe Price at 888/457-5770 or 800/521-0325 (TDD/TYY) business days between 7:30 a.m. and 9 p.m. central time.

Where to find specific information:

- 1 Account at a Glance**—provides a quick overview of account balances and activity throughout the statement period.
- 2 Account Allocation**—depicts graphically how assets are currently spread among various investment types (and will include different messages over time).
- 3 Account Growth**—charts the change in balance of your account since it began with T. Rowe Price.
- 4 Contributions**—indicates deposits to the account from employee (both currently and historically).
- 5 Plan Message**—allows for timely communication of unique information to all plan participants.
- 6 Investment Summary**—breaks down the overall account value (by investment type) for the period in terms of: individual holdings and share prices; the number of shares; ending balance; and percentage of all assets. This section also includes your mix for future investments.
- 7 Activity by Investment**—tracks the change in balance by investment option for the period, including the inflows and outflows of cash and transfers, and the gains and losses due to dividends and market fluctuations.
- 8 Transaction Detail**—specifies the particular account activity according to type and date of occurrence.
- 9 Performance**—presents year-to-date investment returns and historical performance in relation to applicable market indices, and allows for personalized rates of return.
- 10 T. Rowe Price Market Review**—highlights the significant events of the market's latest period, offering insights into what may have contributed to recent performance.

Jane Q. Public Retirement Account Summary

April 1, 2001 to June 30, 2001

About your Retirement Plan

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Global Login

Want to review your account online? Go to rps.troweprice.com and read the plan participant instructions in the pop-up window. If you are already familiar with Account Access, click "Login" and enter your user name (SSN) and password (PIN). If you are new to Account Access, click "Register" and follow the instructions to set up your account.

Investment Summary

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Investment	Current Allocation as of June 30, 2001				Future Investments as of September 12, 2001	
	Number of Shares	Share Price	Ending Balance	Percent of Assets	Pre-tax	
Growth						
Fidelity Fund	5,704.171	\$31.84	\$181,620.80	73.7%		50%
Price International Stock Fund	2,313.334	\$12.15	\$28,107.01	11.4%		25%
Vanguard Inst Index Fund	328.099	\$111.96	\$36,733.96	14.9%		25%
Total Growth				100.0%		
Total			\$246,461.77	100.0%		100%

The percent of assets column reflects how your current assets are allocated. Future investments percentages show how new money will be allocated to your account as of the date in the section heading.

Activity by Investment

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Investment	Beginning Balance	Additions	Withdrawals	Gain/Loss		Ending Balance
				Dividends	Market Fluctuation	
Growth						
Fidelity Fund	\$161,550.02	\$185,219.51 [†]	-\$186,756.53 [†]	\$228.84	\$21,378.96	\$181,620.80
Price International Stock Fund	\$28,623.14	\$31,375.81 [†]	-\$31,628.14 [†]	\$0.00	-\$263.80	\$28,107.01
Vanguard Inst Index Fund	\$34,996.94	\$38,230.67 [†]	-\$38,547.09 [†]	\$98.17	\$1,955.87	\$36,733.96
Total	\$225,170.10	\$254,825.99	-\$256,932.36	\$327.01	\$23,071.03	\$246,461.77

The symbol "†" indicates that the amount shown includes the amount that was transferred into the investment or out of the investment during this period. Refer to the Transaction Detail section of this statement for more information.

What has your fund earned? Don't be misled by the market fluctuation number, which shows only the change in the fund's share price since your last statement. It does not reflect the fund's payment of dividends and interest, nor the reinvestment of dividends and interest into your account. When calculating gain/loss, look at both the market fluctuation and the dividends and interest.

Transaction Detail

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Fund/Date	Transaction	
Growth		
Fidelity Fund (Average cost per share \$32.24)		
03/31/2001	Beginning Balance	\$161,550.02

CMS

200 West Washington
Springfield IL 62701

Jane Q. Public
123 Illinois Blvd
Chicago IL 60632

Jane Q. Public Retirement Account Summary

April 1, 2001 to June 30, 2001

Review your account online: <http://rps.troweprice.com> or call: 1-800-922-9945

To change your name or address Please contact your Plan Administrator at 1-217-782-7006.

Please review your statement and report any errors to T. Rowe Price within 14 days.

Account at a Glance

1

Beginning Balance	\$225,170.10
+ Cash In	\$0.00
- Cash Out	-\$2,106.37
+ Gain/Loss	\$23,398.04
Ending Balance	\$246,461.77
Change this Period	\$21,291.67

Cash In is the total of all contributions or payments made to your account;

Cash Out is the total of all amounts taken out.

Gain/Loss is the total of increases and/or reductions in value for all investments in your account.

Account Allocation

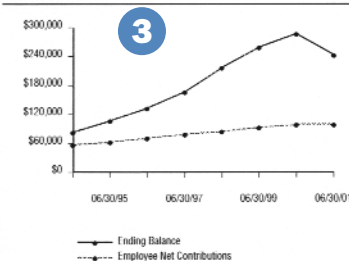
100.0% Growth

2

Account Allocation shows how the money you've previously invested is distributed over different investment categories. Future Investments (shown in subsequent modules) shows how any new contributions will be distributed.

Account Growth

3



This chart tracks the growth over time of your investments and contributions. Any balance transferred from a previous recordkeeper will be shown as a "conversion in."

Contributions

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Contribution Type	This Period	Since Joining the Plan
Salary Deferral	\$0.00	\$61,529.37

This section shows all the money contributed to your account. It does not reflect any money you may have taken out of your account. Due to data availability, your contributions in the Since Joining the plan column reflect only contributions since 1/1/92.



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Invest With Confidence
T. Rowe Price

T. Rowe Price Market Review

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Stocks Gain, Bonds Mixed in Second Quarter

U.S. stocks recovered in the period, shaking off the effects of a dismal first quarter. However, at the end of June, most major indexes were still negative for the year.

Growth

The Federal Reserve's three additional cuts in short-term rates, following three in the first quarter of the year, helped propel equity markets higher. Small-cap stocks outpaced all other capitalization sizes, and the small-cap Russell 2000 Index outperformed the large-cap S&P 500 Index. While still positive, multi-cap value shares lagged a bit, reversing their relatively good performance of the first quarter.

Technology stocks rebounded sharply, while natural resources stocks slipped. Growth took precedence over value investing, yet value stocks also scored gains in the period.

Income

The Federal Reserve continued its aggressive program of monetary easing with three more rate cuts. Taken together with three cuts in the first quarter, the Fed has now lowered the key federal funds rate target from 6.00% to 3.75% so far this year.

Domestic high-yield bonds were down, reversing the pattern that characterized the first quarter when investors took advantage of the high yields available in that sector. Corporate and municipal bonds outperformed Treasuries, but AAA long-term, tax-exempt yields remained attractive at more than 9% of similar Treasury yields.

Stability

Money market yields dropped, along with short-term interest rates.

Our Outlook

There are now signs of improvement in economic conditions, and the Federal Reserve's monetary easing is beginning to flow through to broader financial areas, pointing to an end of the economic downturn in the months ahead. We believe the worst of the stock market sell-off is now behind us as investors look ahead to an improvement in corporate profit growth next year. Bonds should continue to hold their own as interest rates stabilize. We are optimistic about the outlook for the financial markets as we move through the remainder of 2001.

Transaction Detail (continued)

Fund/Date	Transaction	Transaction Information			Running Balance
		Amount	Share Price	Number of Shares	
05/01/2001	Exchange In	\$185,219.51	\$32.24	5,745.022	11,490.044
	Exchange Out	- \$185,219.51	\$32.24	- 5,745.022	5,745.022
05/07/2001	Installment Payment	\$768.64	\$32.11	23.938	5,721.084
06/08/2001	Dividend	\$228.84	\$32.44	7.054	5,728.138
06/11/2001	Installment Payment	\$768.38	\$32.06	23.967	5,704.171
06/30/2001	Ending Balance	\$181,620.80	\$31.84	5,704.171	5,704.171
Price International Stock Fund (Average cost per share \$13.45)					
03/31/2001	Beginning Balance	\$28,623.14	\$12.27	2,332.774	2,332.774
05/01/2001	Exchange In	\$31,375.81	\$13.45	2,332.774	4,665.548
	Exchange Out	- \$31,375.81	\$13.45	- 2,332.774	2,332.774
05/07/2001	Installment Payment	\$130.54	\$13.43	9.720	2,332.054
06/11/2001	Installment Payment	\$121.79	\$12.53	9.720	2,313.334
06/30/2001	Ending Balance	\$28,107.01	\$12.15	2,313.334	2,313.334
Vanguard Inst Index Fund (Average cost per share \$115.85)					
03/31/2001	Beginning Balance	\$34,996.94	\$106.06	329.973	329.973
05/01/2001	Exchange In	\$38,230.67	\$115.86	329.973	659.946
	Exchange Out	- \$38,230.67	\$115.86	- 329.973	329.973
05/07/2001	Installment Payment	\$158.96	\$115.62	1.375	328.598
06/11/2001	Installment Payment	\$158.06	\$114.96	1.375	327.223
06/22/2001	Dividend	\$88.17	\$112.03	.876	328.099
06/30/2001	Ending Balance	\$36,733.96	\$111.96	328.099	328.099

A Word from T. Rowe Price

Plan Update

To learn more about major economic indicators and their effect on the market and your retirement plan investments, read the Plan Update newsletter. Discussed in the newsletter are indicators, such as gross domestic product (GDP), unemployment rate, consumer price index (CPI), and consumer confidence index (CCI). Also explained are how other factors, including interest rates and current events, play a part in the economy. The more you know about these economic signs, the better informed you'll be as an investor.

If this newsletter is not included with your statement, you can view it on the myRetirementPlan Web site at rps.troweprice.com. If you have never accessed myRetirementPlan, click "Register" to set up a username and password. If you have accessed myRetirementPlan, simply click "Login". The Plan Update newsletter is listed under Publications on the myRetirementPlan home Page.

Performance June 30, 2001

Your Investment	3 Months	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Your Account Return	10.23%	- 5.25%	- 23.81%	- 5.89%	1.13%	-	1.49%	01/01/1996
Growth	5.78%	7.77%	27.04%	9.84%	17.33%	13.94%	-	09/29/1986
<input checked="" type="checkbox"/> Fidelity Fund	13.37%	- 2.39%	- 11.76%	5.93%	15.25%	15.45%	-	04/30/1990
Liberty Acorn Fund	14.96%	9.02%	21.70%	14.95%	17.68%	19.02%	-	06/10/1970

Resources to help you keep in touch



Statements

Newsletters

Daily newspaper listings

Toll-free Plan number

Online computer services



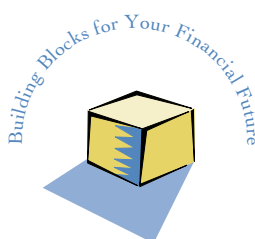
Your quarterly statement is just one of the ways to stay in touch with your investments to know if you're on track with your retirement goal. Your plan and fund managers provide other information to you as well.

Quarterly Performance Reporting

The quarterly statement contains year-to-date performance figures for each investment option for the quarter just ended and the 1-year, 3-year, 5-year, 10-year, and since-inception annualized returns for each investment option. In addition, your account return is provided over the same time periods using your particular investment option mix.

Why do your returns differ from the total returns reported by the fund?

A fund company calculates total return by assuming a lump sum is deposited on the first day of the period. When you invest through the Plan, your contributions buy shares each pay period. While the total return of the funds should not be used as a yardstick to measure your own returns, it should give you a good idea of the fund's overall performance for a specific period.



Daily newspaper listings

You can check the daily net asset value (NAV) of most of your investments by looking in the business section of most daily newspapers. The NAV is the price per share at the close of trade on the preceding business day. The column next to the NAV shows the fund's change in price per share since the last NAV listing.

Find the section in the paper labeled “Mutual Funds”; then look for the fund family. The funds are listed alphabetically. The ticker symbol for each fund is included in case you want to look it up on the Quotron system used to track stock and mutual funds. The funds in your Plan are abbreviated as follows:

Heading	Fund	Abbreviation	Ticker Symbol
Liberty Acorn Funds	Acorn Fund	AcornF	ACRNX
Ariel Mutual Funds	Ariel Fund	Ariel	ARGFX
Fidelity Invest	Fidelity Fund	Fidel	FFIDX
	Fidelity Puritan Fund	Puritn	FFURX
Price Funds	T. Rowe Price International Stock Fund	IntlStk	PRITX
	T. Rowe Price New Income Fund	N Inc	PRCIX
Provident	PIC Small Cap Growth Fund–Institutional Shares	SmCapGr	PISCX
Vanguard	Vanguard Total Bond Market Index Fund - Institutional Shares	Tot BdISt	VBTIX
	Vanguard Institutional Index Fund	Inst Idx	VINIX
Wells Fargo	Wells Fargo Large Company Growth Fund–Institutional Shares	LgCoGr	NVLCX

The Stable Return Fund and the Vanguard Prime Money Market Fund-Institutional Shares are designed to maintain a stable share price of \$1.00 and therefore are not listed daily.

*You may make
daily investment
transactions*. Just
call T. Rowe Price
at 888/457-5770
anytime day or
night. To speak to a
representative, call
from 7:30 a.m. to
9 p.m. central time.
Or, use your computer!
Call 800/541-3022 to
find out how.*

*Subject to the investment options' excessive trading guidelines.

Retrieve information online

The Deferred Compensation Plan has a Web site (state.il.us/cms/employee/defcom) with daily price information for the different options in the plan. It also contains quarterly performance figures, links to the funds' Web sites, and other information.

With **myRetirementPlan**, you can use your computer to check account information and make transactions. All you need is your Social Security number and your PIN. To get started, just call 800/541-3022 to activate your PIN.

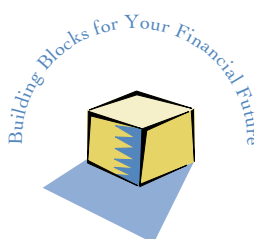
Making investment or salary deferral changes

You've seen how easy it can be to monitor the performance of your options. If you do decide it's time to make an investment change, or if you want to change your salary deferral, here's how to go about it.

Allocating your assets

When you make your investment selections, you may choose any whole percentage you wish, as long as the total investment equals 100%. You may choose to invest your future contributions differently than your current account balance. These are referred to as a:

- **Mix Change** – Redirecting your future contributions (deferrals) into a different option or combination of options.
- **Exchange** – Moving existing money in your account from one option to another.



Making a mix change

You may redirect the investment of your future contributions (deferrals), which come directly from your paycheck each payday. This is called a **mix change**. To make a mix change, call T. Rowe Price at 888/457-5770 24 hours a day, seven days a week. Such changes have no effect on existing account balances. These changes shall be effective no later than the second pay period following receipt of the request.

Exchanging existing balances

You may exchange money among existing account balances daily. To make an **exchange** from one fund to another, please use **myRetirementPlan** (see page 60) or call T. Rowe Price at 888/457-5770, any time of day or night. Requests received by 3 p.m. (central time) will be processed the same business day. Requests received after 3 p.m. will be processed the next business day. T. Rowe Price will mail you a confirmation of every transaction.

You may also make an exchange using an Investment Allocation Change Form, available from the Deferred Compensation Office.

You may increase or decrease your deferrals

You may change the amount you defer at your convenience, provided the form changing the deferral amount has been accepted by the Department of Central Management Services during a prior month.

To make a change, just complete a Change Form and return it to your agency liaison.

How much do transactions cost?

- The first “exchange” of money among existing balances each quarter is free. After that, the fee is \$10 per transaction.
- There is no cost or limit on mix changes.

Equity Wash Provision

If you wish to exchange account balances from the Stable Return Fund into “competing” funds, such as the Vanguard Total Bond Market Index Fund - Institutional Shares, Vanguard Prime Money Market Fund - Institutional Shares, or the T. Rowe Price New Income Fund, you must first transfer those dollars into another fund or combination of funds in the Plan for at least 90 days. This special rule is called an “equity wash provision” and is required to keep an acceptable yield and liquidity level within the Stable Return Fund. In general, “competing” funds are other stability and income funds.

Starting and stopping contributions

To stop deferrals, just complete a Change Form at any time. Of course, your contributions remain in the Plan and in the mix of investment options you select. You may continue to change the investment mix of your account balance at any time. Distribution occurs when you separate from state service for at least 30 days, die, or incur an unforeseeable emergency.

You may reenroll anytime, with the effective date being the first or second pay period of the next month (or any subsequent month).

If you go on disability or a leave of absence

Your deferrals will stop when your regular paycheck stops. When you return to work, your deferrals will resume immediately unless you have revoked participation. Disability or a leave of absence do not constitute conditions for a distribution.

If you transfer to another state agency

Complete a Change Form and forward it to the deferred compensation liaison in your new agency. Deferrals will continue without interruption. If for some reason there is a break in deferrals, the missed deferrals will have to be made up in subsequent paychecks.

If you do not want your deferrals to continue at the time of transfer, you should end participation before you leave your old agency.

Just ahead in Building Block #6...

When can I enroll? How do I enroll? Read the next Building Block and find out!

